

NOVEMBER 10, 2015

**CITY OF GUNNISON COUNCIL  
REGULAR SESSION MEETING MINUTES**

7:00 P.M.

The City Council Regular Session meeting was called to order at 7:00 P.M., by Mayor Hagan, with Councilors Ferguson, Drexel, Morrison and Schwartz present along with City Manager Coleman, City Clerk Davidson, Acting City Manager/Finance Director Cowan, IT Director Lee, Police Chief Robinson, Community Development Director Westbay, several citizens and the press. City Attorney Fogo and WSCU Liaison Davis were absent. A Council quorum was present.

NOVEMBER 10, 2015

**PUBLIC HEARING**

7:00 P.M.

**Receive Public Input On Proposed 2016 City Budget.**

Mayor Hagan called the Public Hearing to order and stated it is 7:00 P.M., on Tuesday, November 10, 2015, in the City Council Chambers of City Hall, 201 W. Virginia Avenue in Gunnison, Colorado. Present at the Public Hearing are myself, Mayor Richard Hagan, City Councilors Stu Ferguson, Bob Drexel, Leia Morrison and Matt Schwartz, City Manager Ken Coleman, City Clerk Gail Davidson, and Finance Director Ben Cowan.

Mayor Hagan stated the purpose of this Public Hearing is to receive input on the proposed 2016 City Budget. Mayor Hagan called for proof of publication. City Clerk Davidson stated a copy of the Notice of Public Hearing was included in their packets as well as a copy of the newspaper publication. The Affidavit of Publication is included in the official hearing file. The Mayor entered the Notice of Publication into the record.

Mayor Hagan called for City Staff Comments and Recommendation. City Manager Coleman stated the process started with Staff input. A Work Session was then held with Council and Staff. Adjustments have been made to the document throughout the process. Finance Director Cowan discussed several of the changes made to the document. Of the \$500,000 in the Budget for the Strategic Plan Implementation projects, a couple of projects have been removed until the street design is more complete. A total of \$434,000 remains in the budget for Strategic Plan implementation. Staff would like to get appraisals on the parcels that could be used to supplement downtown parking. The Grants and Contracts for Services line items need to be finalized and a lump sum could be included in the Budget. Those groups are probably anxious to hear what the funding levels will be in 2016. The reduction in the sales tax vendor fee from 5% to 4% was included in the calculations and the Visitor Center funding will be discussed later in the meeting. In a quick overview of the Budget, it is a total of \$16,640,929 and that reflects a 2% decrease from the 2015 adopted Budget. \$829,190 is the amount of fund balance to be used. He feels it is a sustainable budget. The revenues are mainly from charges for services such as electric, sewer and water. 32% of the revenues are from sales and use tax. Approximately half of the budget expenditures are in Public Works that includes the electric, water and sewer enterprise funds. 17% is for public safety and 13% is for Parks & Recreation. 30% of expenditures are for compensation. Staff recommends adoption of the proposed Budget. Mayor Hagan asked that Staff's testimony and recommendation be entered into the record.

Mayor Hagan called for public comment. Paula Swenson, County Resident, County Commissioner and City Business Owner encouraged Council to implement the Visitor Center funding survey results and fund the Chamber Visitor Center with the sales tax vendor fees. She also encouraged Council to fund Karl with the Housing Authority.

Gunnison Valley Regional Housing Authority Executive Director Karl Fulmer came forward and stated that housing is a pressing need in the Valley and urged Council to fund the increase requested by the Housing Authority and to fund the Housing Needs Assessment.

Mayor Hagan then asked if any letters, emails, or other forms of comments had been received to be entered into the record. City Clerk Davidson responded no other comments were received.

Mayor Hagan called for any further comments on the proposed Budget. Hearing none, the Mayor closed the Public Hearing at 7:10 P.M.

**Consideration of Minutes of October 27, 2015, Regular Session Meeting.** Councilor Schwartz moved and Councilor Ferguson seconded the motion to approve the October 27, 2015, Regular Session meeting minutes as submitted.

Roll call vote, yes: Ferguson, Hagan, Morrison, Schwartz. Motion carried.

Roll call vote, no: None.

Roll call vote, abstain: Drexel. He was absent from the meeting

**Pre-Scheduled Citizens:**

**Update on Gunnison Valley Regional Housing Authority Projects and Housing Issues – GVRHA Executive Director Karl Fulmer.** Mr. Fulmer came forward and addressed Council on the following Housing Authority projects and topics: rental vacancies are very low at this time; the One Valley Prosperity Project results have demonstrated a critical need for affordable workforce housing in the entire Valley; there are jobs available but no place for the workers to affordably live; there needs to be a regional focus for housing and a 2016 needs assessment will assist in that effort; the Anthracite Place workforce housing in Crested Butte should be fully leased by September 2016; the Housing Authority would like to do a public property assessment to determine if any public property could be used for housing projects; homeownership training and down payment assistance has been available and will be fully operational in 2016; the Housing Authority would like to work with all of the local and regional planning departments to develop consistent strategies to encourage private sector housing production; the Section 8 Voucher Program, where the government pays down rent, is in-place but rentals are not available; and continued renovation and maintenance at the County-owned Mountain View Apartments will continue in the next few years. Mr. Fulmer informed Council the Housing Authority is looking for a south valley co-chair. Councilor Drexel stated that not only low-income housing is needed but also affordable and available housing for working young professionals. The Housing Authority hopes to apply for a DOLA Planning Grant to assist with the housing needs assessment.

**Presentation on Region 10/DOLA Technology Grant Application – IT Director Mike Lee.** City IT Director Mike Lee and Region 10 Executive Director Michelle Haynes addressed Council. The broadband/internet availability and redundancy technology project cost is a volatile and moving target. Region 10 received \$6.5 million in DOLA and White House Power Grant funds for the initial Phase I portion of the project. DOLA is asking for a commitment from the City of \$34,000 in both 2016 and 2017 to be included in the DOLA Grant application for Phase II of the project. The commitment would be done in a Memorandum of Agreement with Region 10. These are highly leverage grant funds. A short discussion on “light fiber” and “dark fiber” ensued. Council consensus was to place this on next week’s agenda for action on the MOA.

**Unfinished Business:**

**2016 Proposed Budget – Grants and Contracts for Service funding.** Discussion topics on the proposed Budget included: Senior Transportation will now be funded by the RTA; teen programming should be increased out of the marijuana tax revenues; there is a \$246,370 lump sum amount in Grants and Contracts for service and this reflects 5% of sales tax revenue; mosquito control was included in the line items because it is a contract with the county; and the availability of the grants and contracts for service funds should be advertised in the future. Discussion then took place on funding of the Visitor Center. Director Cowan indicated that approximately \$56,000 will be available from the vendor fees based on last year’s sales tax figures. This amount will vary year-to-year based on available sales tax paid to the City. Finance Director Cowan also explained the budget implications of the existing Fund Balance Policy and the funds that are required to be deposited into the Park and Recreation fund. Discussion ensued. Consensus was for a change to the Fund Balance Policy be made to allow for pass-through funding. Also, in the Contract for Service with the Chamber, a three-person Board will be established for the governance of the Visitor Center, all tax-paying businesses will be represented equally, and businesses that don’t pay sales tax will be allowed representation in the Visitor Center by paying a fee to be determined by the Visitor Center Advisory Board. The Chamber of Commerce Board of Directors and the Visitor Center Advisory Board are two separate entities. The Visitor Center funding will be addressed annually through the budget process with the funds coming from the 1% vendor fee collected from sales tax.

Morrill Griffith, owner of Sun Sports in Gunnison, stated he has had issues with the Chamber of Commerce in the past. After discussion with Mr. Griffith, Council reiterated the Visitor Center will be a separate entity from the Chamber of Commerce. Staff will draft a Contract for Service for funding the Visitor Center.

**2016 Proposed Budget – Other Questions and Discussion.**

Other Budget issues discussed included: the Public Works Director is calculating commercial recycling fees and will bring the possibility of free commercial recycling forward to Council in

Regular Session Minutes  
November 10, 2015  
Page Three

the future; staff discussed both hiring a facilities maintenance position and cleaning/janitorial positions; in both instances, staff recommends leaving the positions as it is for now and they will track more closely the time staff spends performing maintenance-type duties; more money will be included in the budget for City Council training and travel expenses; the Safe Streets plan will be finalized and then funds rolled out for implementation; the website rework will be included in the 2016 Budget; planning efforts on improving the IOOF Park will be undertaken; and work on design standards will be left to ruminate on it for now.

**New Business:**

**Set Special Session Council Meeting for 7:00 P.M. November 17, 2015.**

Councilor Ferguson moved and Councilor Morrison seconded the motion to set a Special Session meeting of City Council for Tuesday, November 17, 2015, at 7:00 P.M. for consideration of the following agenda items: Presentation of Econometrics Analysis of Sales Tax Revenue by WSCU Intern Jacob Weiss; Ord. 18, Series 2015, Re: Setting the 2015 Mill Levy, 1<sup>st</sup> Reading; Ord. 19, Series 2015; Re: 2016 City Budget, 1<sup>st</sup> Reading; Ord. 20, Series 2015; Re: Additional Appropriations to the 2015 City Budget, 1<sup>st</sup> Reading; Ord. 21, Series 2015; Re: Amending Municipal Code Section 3.10.050 Vendor liable for tax; to change the sales tax vendor fee; 1<sup>st</sup> Reading; Regular Session meeting minutes of November 10, 2015; and the Finance Department Semi-Annual Report.

Roll call vote, yes: Drexel, Hagan, Morrison, Schwartz, Ferguson. So carried.

Roll call vote, no: None.

**Action on Lazy K House Rental Lease.**

Councilor Drexel moved and Councilor Morrison seconded the motion to approve the Lazy-K Rental House Lease as presented in Council packets. A short discussion ensued regarding the late fee and up-front deposits to be paid.

Roll call vote, yes: Hagan, Morrison, Schwartz, Ferguson, Drexel. So carried.

Roll call vote, no: None.

**Resolutions and Ordinances:**

**Resolution No. 20, Series 2015; Re: Canceling November 24<sup>th</sup> and December 22<sup>nd</sup> Regular Session Council Meetings.** Councilor Schwartz introduced Resolution No. 20, Series 2015, and it was read by title only by the City Clerk.

Councilor Schwartz moved and Councilor Drexel seconded the motion that Resolution No. 20, Series 2015, **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, CANCELING THE REGULAR SESSION MEETINGS SCHEDULED FOR NOVEMBER 24, 2015 AND DECEMBER 22, 2015**, be introduced, read, passed and adopted this 10<sup>th</sup> day of November, 2015.

Roll call vote, yes: Morrison, Schwartz, Ferguson, Drexel, Hagan. So carried.

Roll call vote, no: None.

**Ordinance No. 16, Series 2015, Re: Major Change to PUD Standards to Include Museum as Permitted Use Within Gunnison Rising PUD Standards; 2nd Reading.** Councilor Ferguson introduced Ordinance No. 16, Series 2015, and it was read by title only by Councilor Ferguson.

Councilor Ferguson moved and Councilor Morrison seconded the motion that Ordinance No. 16, Series 2015, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON APPROVING A MAJOR CHANGE TO AN EXISTING PLANNED UNIT DEVELOPMENT, TO AMEND TABLE 10.1: INDUSTRIAL MODIFIED DISTRICT PERMITTED USES AND PARKING SPACE REQUIREMENTS, TO INCLUDE A MUSEUM AS A PERMITTED USE WITHIN THE GUNNISON RISING PUD DEVELOPMENT STANDARDS**, be introduced, read, passed and adopted on second and final reading this 10<sup>th</sup> day of November, 2015.

Roll call vote, yes: Schwartz, Ferguson, Drexel, Hagan, Morrison. So carried.

Roll call vote, no: None.

**Ordinance No. 17, Series 2015; Re: Amending Gunnison Municipal Code Title 8, Re: Marijuana Licensing Regulations, 1<sup>st</sup> Reading.** Councilor Schwartz introduced Ordinance No. 17, Series 2015, and it was read by title only by Councilor Schwartz.

Councilor Schwartz moved and Councilor Morrison seconded the motion that Ordinance No. 17, Series 2015, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO AMENDING TITLE 8 BUSINESS REGULATION, CHAPTER 8.50 MARIJUANA BUSINESS LICENSING REGULATIONS, SECTION 8.50.020 APPLICATION AND LICENSE FEE REQUIRED, OF THE CITY OF GUNNISON MUNICIPAL CODE**, be introduced, read, passed and ordered published on first reading this 10<sup>th</sup> day of November, 2015.

Roll call vote, yes: Ferguson, Drexel, Hagan, Morrison, Schwartz. So carried.

Roll call vote, no: None.

**City Attorney Kathleen Fogo:** was absent.

**City Manager: Ken Coleman** reported on the following: a new Fleet Department Parts Manager has been selected and that process is being finalized; an in-house employee has been selected for the Electric Apprentice position and now an equipment operator opening will be advertised; the City tree dump will close on November 21<sup>st</sup>; there will be a CDOT webinar on Safe Streets on November 20<sup>th</sup> at 9am; the folks from Better Cities would like to have more input with the City; and the Lazy-K property Open House will be this Thursday starting at 2pm on the property.

**Acting City Manager: Finance Director Ben Cowan.** No additional report.

**City Clerk: Gail Davidson** reported the Youth City Council students will meet this Sunday and will be working on their "Our Valley" video project. They will also talk about teen programming ideas.

**Western State Colorado University Student Liaison Amy Davis:** was absent.

**Non-Scheduled Citizens:** Bill Nesbitt, City resident and business owner addressed Council. Mr. Nesbitt read the City-adopted Mission Statement. Mr. Nesbitt stated he served the City for over 21 years, 5 years on the Planning Commission and 16 years on City Council. He is dismayed by the rumors and innuendos he has heard about the City Manager and senior management staff being forced out. He has heard the reports from three separate reliable sources. He has also heard about three possible people being considered for the vacated City Manager position. Mr. Nesbitt asked that any decision be conducted in a reasonable and rational manner. All decisions should be made in a public process. Decisions shouldn't be made in executive session but in public. The public entrusted Council to make decisions in the open. The rumors are very disconcerting to him. Five of the Department Heads have over 25 years of service with the City and are valuable resources.

**City Council Discussion, Meeting Reports, Items for Work Session:**

**Councilor Drexel:** reported he attended the Six-Points Dedication Celebration and the City was honored for their contributions to help get the new facility open. Councilor Drexel then read the following statement into the record: "Out of deference for Ken Coleman, I have kept quiet in public about his prospective separation from the City of Gunnison. He had requested that a big to do not be made over his possible removal from the City Manager position. However, what is going on has reached the public who are raising questions, concerns and innuendos about what is going on within the City. To my knowledge there has been no discussions where there have been three or more councilors who had discussed this matter outside of a public meeting. However, for Ken's benefit, the benefit of the other staff members and especially for the benefit of our constituents, I believe it is time to have a public discussion about the possibility of Ken's departure from the City. I respectfully request that the public discussion regarding Ken's future take place at the next City Council meeting on November 17, 2015."

**Councilor Ferguson:** reported he attended the One Valley Prosperity Project meeting last Thursday. There was a tremendous turnout and it was a good, positive meeting.


Regular Session Minutes  
November 10, 2015  
Page Five


**Councilor Morrison:** informed Council she attended the Northern Colorado Bike-Pedestrian Conference in Greeley last Thursday. Different projects were discussed including the benefits to the environment and to increased property values.. "Way-finding" or signage was one of the topics discussed at the Conference. Councilor Morrison stated a similar conference on the Western Slope would be great. She also attended the Chamber Board meeting this morning. The new Chamber website was approved and will be underway in 2016.

**Councilor Schwartz:** reported he too attended the Bicycle-Pedestrian Conference in Greeley. He attended a funding session at the conference and possible pots of money in each CDOT District were mentioned. City Manager Coleman and Councilor Drexel stated that Vince Rogalski is a great contact on transportation issues in our District. Councilor Schwartz stated that there are possible private grant funds available as well. Bike and pedestrian trails provide health, a positive economic impact and environmental sustainability. Councilor Schwartz stated he attended the Trails Commission meeting and that group discussed funding a paid trails position in the Valley. That person could identify and apply for trails grants. Also at the Trails meeting, the BLM informed the group that a "fat bike" trail grooming may take place at Hartman Rocks this winter.

**Mayor Hagan:** reported he attended the Mayors'/Managers' meeting before the OVPP meeting last Thursday. It wasn't well attended but those in attendance talked about changing the purpose of the Mayors'/Managers' meeting. He also attended the Housing Authority meeting. Karl already covered the items they discussed.

**Adjournment:** Mayor Hagan called for any further discussion from Council, Staff or the public, and hearing none, adjourned the meeting at 9:35 P.M.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
City Clerk